

July 6, 2016

Submitted electronically through the website

RE: 2016 SUSTAINABLE FREIGHT ACTION PLAN-DRAFT

Dear Chair Nichols:

The California Natural Gas Vehicle Coalition (CNGVC) would like to submit the following comments concerning the *Sustainable Freight Action Plan*. We support the overall goal of having a statewide freight system that will improve our air quality.

About CNGVC

CNGVC is an association of natural gas vehicle and engine manufacturers, utilities, fuel providers and fleet operators serving the state. We are united in the belief that wider adoption of clean-running NGVs—a proven technology in use worldwide—is key to helping California reduce greenhouse gas emissions, air pollution and petroleum dependence.

The Coalition is the industry's premier advocacy organization in California. We support new initiatives, provide up-to-date information on NGV technology and market developments, and work with legislators and regulators to develop policies that will increase alternative fuel and vehicle use. We also advise stakeholders on testing and demonstration programs and help NGV-related businesses break into the California market.

Near-Zero Creates Substantial Emissions Reductions

In September 2015, CWI's 8.9 liter ISL G NZ engine became the world's first heavy-duty engine certified to meet CARB's lowest-tier optional low-NOx emission standard of 0.02 g/bhp-hr NOx. This next-generation" heavy-duty natural gas engine is now commercially available in a broad range of HDV sectors that power our freight and public transportation systems (transit buses, refuse haulers, and short-haul delivery trucks)¹.

We support the inclusion of the low-NOx engine in the heavy-duty truck sector to be a part of the solution from now to 2050, as outlined in the May 2016 *Mobile Source Strategy*, especially in Figures 16 and 17, but what has been lacking is adequate funding to accomplish this goal. The *Sustainable Freight Action Draft Plan* calls for "deploying over 100,00 freight vehicles" but does not lay out a plan to give the agencies charged with achieving that goal.

The low-NOx engine is the <u>best answer right now</u> to create a cleaner environment in the transportation corridors that run through some of California's most disadvantaged/poor communities and communities of

color. This slide shows the amount of reductions in emissions with using natural gas and renewable natural gas:

Incentives for Near-Zero Emissions **Heavy-Duty Trucks Can Deliver Substantial Emissions Reductions** In-State Heavy Duty Truck Fleet Composition 1-Incentivized? Purchases 800,000 700,000 600,000 500,000 -63% 400,000 800,000 200,000 NZE NOV (0.02 g/hp-hr NOx) Conventional NGV (0.2 g/hp-hr NOv) 10 100.000 Gasoline Remaining NOs (Scenario)

As you can also see, the best way to get these engines on the "streets" is to provide adequate incentive funding. *The Sustainable Freight Action Plan Draft*, in our opinion, doesn't address the deficiencies in equal incentive funding that has been lacking in other plans released by other agencies this year. This also highlights the need for better coordination and collaboration between all the transportation/emission plans.

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Amalysis includes TT Drayage, T7 Single, TT Solid Waste Collection Vehicle, T7 Tractor, T7 Tractor Construction, T7 Agriculture,
T7 Single Construction, T7 Public, T7 Utility, T7 IS, T6 Instate Heavy, T6 Instate Small, T6 Utility, T6 Public, T8 TS, T6 Agriculture,
T6 Instate Construction Heavy, T6 Instate Construction Small, LHDDT, and LHDGT.
Illianismus incentives range from \$15,500 – \$35,000 Tract depending on the vehicle type and engine size.
Assumed penetration rates after the incentive period ends remain at the 2023 level due to further regulatory or other mechanisms.

We appreciate the opportunity to comment on this draft and we look forward to working with staff, board members, and the Governor's office on addressing these concerns in the final plan. We are happy to answer any questions or provide any additional clarification if needed. Thank you.

Sincerely,

Thomas Lawson

President, California Natural Gas Vehicle Coalition